

CITY OF LEESVILLE

LEESVILLE, LOUISIANA

JUNE 30, 2000

RECEIVED
LEGISLATIVE AUDITOR
2000 DEC 27 AM 9:32

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01-10-01

CITY OF LEESVILLE, LOUISIANA

JUNE 30, 2000

**TABLE OF CONTENTS
(Continued)**

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1-3
Primary Government Financial Statements		4
Combined Balance Sheet - All Fund Types and Account Groups	A	5-6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances (Accumulated Deficits) - All Governmental Fund Types	B	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General, Special Revenue, and Debt Service Funds	C	8
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types	D	9
Combined Statement of Cash Flows - All Proprietary Fund Types	E	10
Notes to Financial Statements		11-35
Combining, Individual Fund, and Account Group Financial Statements		36
General Fund		37
Balance Sheet	F-1	38
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	F-2	39
Statement of Revenues - Budget and Actual	F-3	40
Statement of Expenditures - Budget and Actual	F-4	41-44
Special Revenue Funds		45
Combining Balance Sheet	G-1	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	47
Sales Tax Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	G-3	48-50
Economic Development Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	G-4	51
E 911 Communications District Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	G-5	52

CITY OF LEESVILLE, LOUISIANA

JUNE 30, 2000

**TABLE OF CONTENTS
(Continued)**

	<u>EXHIBIT</u>	<u>PAGE</u>
Law Enforcement Block Grant Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	G-6	53
Drug Forfeiture Special Revenue Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	G-7	54
Debt Service Funds		55
Combining Balance Sheet	H-1	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	57
General Obligation Bonds Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	H-3	58
Sales Tax Bonds Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	H-4	59
Certificates of Indebtedness Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	H-5	60
Capital Projects Funds		61
Combining Balance Sheet	I-1	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Accumulated Deficits)	I-2	63
Enterprise Funds		64
Combining Balance Sheet	J-1	65-66
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings (Accumulated Deficit)	J-2	67
Combining Statement of Cash Flows	J-3	68
Internal Service Fund		69
Employee Benefits Insurance Fund - Balance Sheet	K-1	70
Employee Benefits Insurance Fund - Statement of Revenues, Expenses, and Changes in Retained Earnings	K-2	71
Employee Benefits Insurance Fund – Statement of Cash Flows	K-3	72
General Fixed Assets Account Group		73
Statement of General Fixed Assets	L-1	74
Statement of Changes in General Fixed Assets	L-2	75

CITY OF LEESVILLE, LOUISIANA

JUNE 30, 2000

**TABLE OF CONTENTS
(Concluded)**

	<u>EXHIBIT</u>	<u>PAGE</u>
General Long-Term Debt Account Group		76
Combining Statement of General Long-Term Debt.....	M-1	77
Additional Information		78
Unaudited Schedule of Insurance in Force	<u>Schedule</u> 1	79-80
Other Report Required by <i>Government Auditing Standards</i>		81
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Primary Government, Combining, Individual Fund, and Account Group Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		82-85
Schedule of Findings and Questioned Costs		86-88
Memorandum of Other Comments and Recommendations		89-91
Management's Summary Schedule of Prior Audit Findings.....		92-93
Management's Corrective Action Plan		94-96



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Jim Shapkoff, Jr., Mayor
and Members of the City Council
City of Leesville, Louisiana

We have audited the accompanying primary government financial statements and the combining, individual fund, and account group financial statements of the City of Leesville, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Leesville, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully explained in Note 1, the financial statements of the General Fixed Assets Account Group include only assets acquired subsequent to 1971. The cost of fixed assets included in the General Fixed Assets Account Group acquired prior to 1972 is not recorded. Generally accepted accounting principles require the recording of fixed assets at cost, or estimated historical cost, if cost records are not available. It is not practicable to determine the effects of the unrecorded general fixed assets, if any, on the financial statements.

MARVIN A. JONEAU, C.P.A.
H. FRED RANDOW, C.P.A.
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.
ROBERT W. DYDRAK, C.P.A.

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JONEAU, C.P.A.

L. PAUL HODG, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

The Honorable Jim Shapkoff, Jr., Mayor
and Members of the City Council
City of Leesville, Louisiana

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary due to the matter discussed in the previous paragraph, the primary government financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the primary government of the City of Leesville, Louisiana, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary due to the matter discussed in the previous paragraph, the combining, individual fund, and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Leesville, Louisiana, as of June 30, 2000, the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of the component units of the City of Leesville, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Leesville, Louisiana, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 14, 2000, on our consideration of the internal control over financial reporting of the City of Leesville, Louisiana, and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Jim Shapkoff, Jr., Mayor
and Members of the City Council
City of Leesville, Louisiana

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The accompanying financial information listed as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Leesville, Louisiana. Such information, has not been subjected to the auditing procedures applied in the audit of the aforementioned financial statements, and accordingly, we express no opinion on it.

Payne, Moore & Herrington, LLP
Certified Public Accountants

November 14, 2000

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

The Primary Government Financial Statements, which include all funds and account groups of the City that are not legally separate, are designed to provide an overview of the financial position and results of operations for the primary government as a whole. Information in the form of combining, individual fund, and account group statements and schedules is included elsewhere in this report.

CITY OF LEESVILLE, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000

EXHIBIT A
(Continued)

	Primary Government									
	Governmental Fund Types					Proprietary Fund Types				
	General	Special Revenue	Debt Service	Capital Projects		Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
ASSETS AND OTHER DEBITS										
ASSETS										
Cash	\$ 48	\$ 379,322	\$ 350,930	\$ 30,280	\$		\$ 148,441	\$	\$	\$ 909,021
Investments			371,293							371,293
Receivables (Net of allowance)	142,638	45,399	2,582			193,470	24,027			408,116
Due from other funds	18,356	96,474	10,516							125,346
Inventories	42,821									42,821
Restricted assets						523,162				523,162
Fixed assets (Net, where applicable, of accumulated depreciation)						12,294,149		24,805,850		37,099,999
Other assets						54,801				54,801
OTHER DEBITS										
Amount available in debt service funds									735,321	735,321
Amount to be provided for retirement of general long-term debt									2,610,615	2,610,615
TOTAL ASSETS AND OTHER DEBITS	\$ 203,863	\$ 521,195	\$ 735,321	\$ 30,280	\$	\$ 13,065,582	\$ 172,468	\$ 24,805,850	\$ 3,345,936	\$ 42,880,495

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000

EXHIBIT A
(Concluded)

	Primary Government									
	Governmental Fund Types				Proprietary Fund Types			Account Groups		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	General Assets	Long-Term Debt	Total (Memorandum Only)	
LIABILITIES, EQUITY, AND OTHER CREDITS										
LIABILITIES										
Cash overdraft	\$ 75,091	\$	\$	\$	\$ 111,694	\$	\$	\$	\$	\$ 186,785
Accounts and contracts payable	109,325	15,027		327	39,381					164,060
Other current liabilities and accrued expenses	7,457				67,220	38,031				112,708
Due to other funds	11,990	18,356			95,000					125,346
Customers' deposits					172,041					172,041
Deferred revenue		22,309		29,953						52,262
Compensated absences					8,673			192,117		200,790
Capitalized leases					38,326			76,251		114,577
Notes payable								482,568		482,568
General obligation bonds					3,920,000			450,000		4,370,000
Certificates of indebtedness					855,000			400,000		1,255,000
Revenue bonds					581,260			1,745,000		2,326,260
Total Liabilities	203,863	55,692	-	30,280	5,888,595	38,031	-	3,345,936	-	9,562,397
EQUITY AND OTHER CREDITS										
Investment in general fixed assets							24,805,850			24,805,850
Contributed capital										6,325,276
Retained earnings					6,325,276					
Reserved										192,676
Unreserved					58,239	134,437				793,472
Fund balances					793,472					
Reserved		6,590	735,321							741,911
Unreserved - Undesignated		458,913								458,913
Total Equity and Other Credits	-	465,503	735,321	-	7,176,987	134,437	24,805,850	-	-	33,318,098
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 203,863	\$ 521,195	\$ 735,321	\$ 30,280	\$ 13,065,582	\$ 172,468	\$ 24,805,850	\$ 3,345,936	\$	\$ 42,880,495

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (ACCUMULATED DEFICITS)
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 2000

EXHIBIT B

	Primary Government				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES					
Taxes	\$ 466,719	\$ 1,682,501	\$ 173,359	\$	\$ 2,322,579
Licenses and permits	328,493				328,493
Intergovernmental	219,732	67,666		162,731	450,129
Charges for services	45,494	428,502			473,996
Fines and forfeitures	132,731				132,731
Interest	62	4,282	23,112	70	27,526
Other	102,113	2,415		2,781	107,309
Total Revenues	1,295,344	2,185,366	196,471	165,582	3,842,763
EXPENDITURES					
Current					
General government	381,523	77,842		10,741	470,106
Public safety	1,143,542	766,385			1,909,927
Public works	425,250				425,250
Economic development	59,102				59,102
Culture and recreation		213,428			213,428
Debt service					
Principal	82,075		430,000		512,075
Interest and fiscal charges	39,977		168,017		207,994
Capital outlay	107,320	10,474		78,346	196,140
Total Expenditures	2,238,789	1,068,129	598,017	89,087	3,994,022
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(943,445)	1,117,237	(401,546)	76,495	(151,259)
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	841,467	(924,757)	438,975	123,028	478,713
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(101,978)	192,480	37,429	199,523	327,454
FUND BALANCES (ACCUMULATED DEFICITS), BEGINNING OF YEAR	101,978	273,023	697,892	(199,523)	873,370
FUND BALANCES, END OF YEAR	\$ -	\$ 465,503	\$ 735,321	\$ -	\$ 1,200,824

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2000

EXHIBIT C

	Primary Government					
	General Fund		Special Revenue Funds		Debt Service Funds	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$ 411,800	\$ 466,719	\$ 54,919	\$ 1,682,501	\$ 173,000	\$ 173,359
Licenses and permits	308,900	328,493	19,593			
Intergovernmental	124,035	219,732	95,697	67,666	31,641	
Charges for services	43,365	45,494	2,129	428,502	49,402	
Fines and forfeitures	160,000	132,731	(27,269)			
Interest	60	62	2	4,282	142	23,112
Other	101,900	102,113	213	2,415	(210)	4,687
Total Revenues	1,150,060	1,295,344	145,284	2,185,366	191,425	196,471
						5,046
EXPENDITURES						
Current						
General government						
Public safety	412,829	381,523	31,306	77,842	93	
Public works	1,048,664	1,143,542	(94,878)	766,385	(54,980)	
Economic development	412,623	425,250	(12,627)			
Culture and recreation	55,275	59,102	(3,827)			
Debt service				213,428	(10,398)	
Principal	86,459	82,075	4,384			
Interest and fiscal charges	42,104	39,977	2,127			
Capital outlay	43,226	107,320	(64,094)	10,474	(1,459)	
Total Expenditures	2,101,180	2,238,789	(137,609)	1,068,129	(66,744)	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(951,120)	(943,445)	7,675	1,117,237	16,732	(401,546)
						5,044
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	951,800	841,467	(110,333)	(924,757)	413,975	25,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	680	(101,978)	(102,658)	192,480	32,750	30,044
FUND BALANCES, BEGINNING OF YEAR	101,978	101,978	-	273,023	697,892	
FUND BALANCES, END OF YEAR	\$ 102,658	\$ -	\$ (102,658)	\$ 465,503	\$ 705,277	\$ 30,044

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 2000

EXHIBIT D

	Primary Government		
	Enterprise	Internal Service	Total (Memorandum Only)
OPERATING REVENUES			
Charges for services	\$ 1,520,559	\$ 313,763	\$ 1,834,322
Other		12,477	12,477
Total Operating Revenues	1,520,559	326,240	1,846,799
OPERATING EXPENSES			
Salaries and fringe benefits	274,495		274,495
Repairs and maintenance	102,369		102,369
Depreciation	504,600		504,600
Other operating expenses	379,576	23,779	403,355
Claims paid		185,561	185,561
Insurance premiums		71,700	71,700
Total Operating Expenses	1,261,040	281,040	1,542,080
OPERATING INCOME	259,519	45,200	304,719
NONOPERATING REVENUES (EXPENSES)			
Ad valorem taxes	346,927		346,927
Grant revenue	25,000		25,000
Interest revenue	6,397	3,039	9,436
Interest expense and fiscal charges	(252,919)		(252,919)
Total Nonoperating Revenues (Expenses)	125,405	3,039	128,444
INCOME (LOSS) BEFORE OPERATING TRANSFERS	384,924	48,239	433,163
OPERATING TRANSFERS (OUT)	(478,713)		(478,713)
NET INCOME (LOSS)	(93,789)	48,239	(45,550)
RETAINED EARNINGS, BEGINNING OF YEAR	945,500	86,198	1,031,698
<u>RETAINED EARNINGS, END OF YEAR</u>	<u>\$ 851,711</u>	<u>\$ 134,437</u>	<u>\$ 986,148</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2000

EXHIBIT E

	Primary Government		
	Enterprise	Internal Service	Total (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 259,519	\$ 45,200	\$ 304,719
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	504,600		504,600
Provision for doubtful accounts	6,462		6,462
Changes in assets and liabilities			
Accounts receivable	(2,354)	(19,048)	(21,402)
Deposit		2,680	2,680
Accounts payable	17,404	(39,135)	(21,731)
Other current liabilities and accrued expenses	(4,539)		(4,539)
Customers' deposits	5,447		5,447
Net Cash Provided (Used) by Operating Activities	786,539	(10,303)	776,236
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash overdraft	111,694		111,694
Grant revenue	25,000		25,000
Operating transfers out	(503,147)	-	(503,147)
Net Cash Provided (Used) by Noncapital Financing Activities	(366,453)	-	(366,453)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Ad valorem taxes	368,324		368,324
Acquisition and construction of property, plant, and equipment	(14,320)		(14,320)
Payments of revenue bonds and other indebtedness	(544,192)		(544,192)
Interest paid on long-term debt	(229,168)		(229,168)
Net Cash Provided (Used) by Capital Financing Activities	(419,356)	-	(419,356)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6,397	3,039	9,436
Net Cash Provided by Investing Activities	6,397	3,039	9,436
INCREASE (DECREASE) IN CASH	7,127	(7,264)	(137)
CASH, BEGINNING OF YEAR	516,035	155,705	671,740
CASH, END OF YEAR	\$ 523,162	\$ 148,441	\$ 671,603
CLASSIFIED AS			
Current assets	\$	\$ 148,441	\$ 148,441
Restricted assets	523,162		523,162
TOTALS	\$ 523,162	\$ 148,441	\$ 671,603

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

List of Notes

	<u>PAGE</u>
1. Reporting Entity and Summary of Significant Accounting Policies.....	12
2. Cash and Investments	19
3. Receivables	20
4. Due From/To Other Funds.....	21
5. Restricted Assets – Enterprise Funds	22
6. Fixed Assets.....	22
7. Long-Term Debt and Capitalized Leases	23
8. Contributed Capital	28
9. Reserved Retained Earnings	28
10. Reserved Fund Balances.....	29
11. Ad Valorem Taxes.....	29
12. Enterprise Funds - Operations.....	29
13. Employee Benefits Insurance	30
14. Risk Management	31
15. Compensation Paid to Mayor and City Council	31
16. Public Employees' Retirement Systems	32
17. Defined Contribution Plan	34
18. Supplemental Pay	33
19. Excess of Expenditures Over Appropriations	34
20. Legal Compliance	34
21. City as Lessor.....	35

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Leesville, Louisiana (the "City") was incorporated by proclamation of the governor on February 15, 1900. The City operates under a council - administrator form of government.

The financial statements of the City of Leesville, Louisiana, (the primary government) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City of Leesville is a municipal corporation governed by an elected seven-member board. The accompanying financial statements present only the data of the primary government.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. These financial statements do not include the data of the component units necessary for reporting in conformity with generally accepted accounting principles.

B. Individual Component Units Not Included in this Report

The City has two component units which are legally separate from the City. The City Marshal and the City Judge are elected by the voters of the City of Leesville. This report does not include these component units.

1. The Leesville City Marshal is responsible for enforcing judgments of city court, maintaining order within the city court, and collection of city court fines.
2. The Leesville City Court is responsible for hearing court cases involving violations of city laws and ordinances and for rendering judgments thereon.

Complete financial statements for each of the two component units can be obtained from their respective administrative offices.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

Administrative Offices:

Leesville City Marshal
P.O. Box 1486
Leesville, Louisiana

Leesville City Court
P.O. Box 1486
Leesville, Louisiana

C. Related Organization

The Leesville Housing Authority: The Authority is accountable to the City since the City Council appoints the Authority's board members. However, since the City does not have the ability to impose its will on the Authority and no financial benefit/burden relationship exists, the City is not considered financially accountable for the Authority. Accordingly, the Authority is not considered part of the City for financial reporting purposes.

D. Fund Accounting

The City uses funds and account groups to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the City are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

CITY OF LEESVILLE
JUNE 30, 2000

NOTES TO FINANCIAL STATEMENTS

The General Fixed Asset Account Group is used to account for fixed assets other than those used in the proprietary funds.

The General Long-Term Debt Account Group is used to account for long-term debt not accounted for in other funds.

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debts are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, grants, interest revenue, and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

The City may report deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

F. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with GAAP which is also consistent with state law. Annual appropriated budgets are adopted for General, Special Revenue, and Debt Service Funds. All annual appropriations lapse at the end of the fiscal year. Budgets for capital projects are adopted on a project - length basis. Because these non-operating budgets primarily serve as a management control function, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided in this document. Budgets established for proprietary funds are management budgets and as such are not required to be reported in this document.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator prepares a proposed budget and submits it to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, the date of a public hearing is published.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgets are controlled at the fund level. Budgetary amendments involving the transfers of funds from one fund or project to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the City Council. Budgeted amounts shown in the financial statements are as originally adopted or as amended from time to time by the Council.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

G. Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

H. Cash and Investments

Management considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Investments, which consist of certificates of deposit, are stated at cost, which approximates market value.

I. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

J. Inventories

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. All inventories are accounted for in the General Fund as assets when purchased and recorded as expenditures or expenses when consumed. Inventory items consumed by other funds are recorded through the interfund receivable/payable accounts.

K. Restricted Assets

Certain proprietary fund assets are classified as restricted assets because their use is limited by applicable bond covenants or by Council action. Various "debt service accounts" segregate resources accumulated for debt service payments of bonds and certificates of indebtedness. "Capital additions and contingencies accounts" are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacement for the water system. These resources may also be used for debt service if funds are not otherwise available. "Construction accounts" are used to report funds received from loan proceeds that are to be used for construction.

L. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. The City has elected to capitalize public

CITY OF LEESVILLE

JUNE 30, 2000

NOTES TO FINANCIAL STATEMENTS

domain ("infrastructures") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. Fixed assets acquired after 1971 are valued at historical cost if purchased or at market value on the date of donation if donated to the City. The cost of fixed assets acquired prior to 1972 is not recorded and is not included in general fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary funds is computed using the straight-line method over the estimated useful life.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

M. Compensated Absences

Accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. Accumulated leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

N. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

O. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

P. Retained Earnings - Reserved

Retained earnings - reserved, as reported on the combined balance sheet, represents certain restricted assets accumulated in accordance with the outstanding bond indentures which are in excess of related current liabilities payable from restricted assets or which are restricted for construction.

Q. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond issuance costs are recorded as deferred charges.

R. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

S. Supplemental Wages

Certain employees of the police and fire departments receive supplemental wages from the State of Louisiana. These supplemental wages are recognized as intergovernmental revenue and public safety expenditures in the General and Sales Tax Special Revenue Funds.

T. Memorandum Only - Total Columns

Total columns on the primary government financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

U. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Under state law, the City may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At June 30, 2000, the City had cash and investments as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash (demand deposits)	\$ 909,021	\$ 523,162	\$ 1,432,183
Cash overdraft (demand deposits)	(186,785)		(186,785)
Investments - certificates of deposit	<u>371,293</u>	<u> </u>	<u>371,293</u>
	\$ 1,093,529	\$ 523,162	\$ 1,616,691

At year end, the carrying amounts of the City's deposits (demand deposits and certificates of deposit) were \$1,616,691, and bank balances were \$1,723,580. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$ 200,000
Uncollateralized (In accordance with GAAP - See below)	<u>1,523,580</u>
	\$ 1,723,580

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

The uncollateralized amount shown above is secured by pledged securities with a market value of \$2,278,562 held in the name of the pledging fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

Receivables at June 30, 2000, consist of the following:

	Governmental Fund <u>Types</u>	Proprietary Fund <u>Types</u>	<u>Totals</u>
Accounts			
Uncollected cycle billings	\$	\$ 132,058	\$ 132,058
Estimated billings between cycles		70,680	70,680
Other	45,399	24,027	69,426
Franchise taxes	96,960		96,960
Intergovernmental			
Federal	10,603		10,603
State	34,876		34,876
Interest	2,582		2,582
Other	<u>199</u>		<u>199</u>
Gross receivable	190,619	226,765	417,384
Allowance for doubtful accounts	<u>-</u>	<u>(9,268)</u>	<u>(9,268)</u>
Net receivable	\$ 190,619	\$ 217,497	\$ 408,116

Receivables arising from utility services provided to customers consist of uncollected billings rendered customers on monthly cycle billings and estimated services provided customers between billing cycles. The allowance for doubtful accounts of \$9,268 represents the projected uncollectible accounts at June 30, 2000.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

4. DUE FROM/TO OTHER FUNDS

Amounts due from and to other funds at June 30, 2000, consist of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund		
Sales Tax Special Revenue Fund	\$ 16,340	\$
E 911 Communications District Special Revenue Fund	2,016	
Law Enforcement Block Grant Special Revenue Fund		1,474
Water System Bonds Debt Service Fund		10,516
Special Revenue Funds		
Sales Tax Fund		
Water System Enterprise Fund	95,000	
General Fund		16,340
E 911 Communications District Fund		
General Fund		2,016
Law Enforcement Block Grant Fund		
General Fund	1,474	
Debt Service Funds		
General Obligation Bonds Fund		
General Fund	10,516	
Enterprise Funds		
Water System Fund		
Sales Tax Special Revenue Fund		95,000
	<u>\$ 125,346</u>	<u>\$ 125,346</u>

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

5. RESTRICTED ASSETS, LIABILITIES PAYABLE FROM RESTRICTED ASSETS, AND RESERVED RETAINED EARNINGS

Restricted assets, the related liabilities payable from these assets, and reserved retained earnings of the enterprise funds are summarized below:

	<u>Restricted Assets Cash</u>	<u>Liabilities Payable from Restricted Assets Bonds</u>	<u>Interest</u>	<u>Reserved Retained Earnings Construction</u>
Sewer System Enterprise Fund				
Construction account	\$ 58,239	\$	\$	\$ 58,239
General obligation bonds debt service account	247,555	210,000	37,555	-
Water System Enterprise Fund				
Revenue bonds debt service account	31,506	31,506		-
Certificate of Indebtedness debt service account	<u>185,862</u>	<u>185,862</u>		<u>-</u>
	\$ 523,162	\$ 427,368	\$ 37,555	\$ 58,239

6. FIXED ASSETS

The following is a summary of changes in fixed assets during the fiscal year.

	<u>Balance, Beginning of year</u>	<u>Additions</u>	<u>Completed Projects / Deductions</u>	<u>Balance End of Year</u>
General Fixed Asset Account Group				
Land	\$ 328,696	\$	\$	\$ 328,696
Buildings	4,879,077	37,036	619,510	5,535,623
Other improvements	16,104,468			16,104,468
Equipment	2,846,137	28,582	(37,656)	2,837,063
Construction in progress	<u>541,165</u>	<u>78,345</u>	<u>(619,510)</u>	<u>-</u>
Total General Fixed Assets	\$ 24,699,543	\$ 143,963	\$ (37,656)	\$ 24,805,850
Proprietary Funds				
Sewer System				
Land	\$ 119,876	\$	\$	\$ 119,876
Treatment plant	6,040,918			6,040,918
Sewer disposal system	4,427,914			4,427,914
Equipment and vehicles	<u>217,289</u>	<u>14,320</u>		<u>231,609</u>
Total Sewer System	10,805,997	14,320	-	10,820,317

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

Water System

Land	37,375			37,375
Plant and system	6,053,687			6,053,687
Equipment and vehicles	293,792			293,792
Total Water System	6,384,854	-	-	6,384,854
Total Proprietary Funds	\$ 17,190,851	\$ 14,320	\$ -	\$ 17,205,171
Accumulated Depreciation				(4,911,022)
Net Proprietary Fixed Assets				\$ 12,294,149

In the enterprise funds, the following useful lives are used to compute depreciation using the straight-line method.

Production and distribution system	25 - 50 years
Buildings and improvements	10 - 25 years
Equipment	5 - 8 years
Vehicles	3 - 6 years

Depreciation expense recorded in the financial statements for the fiscal year ended June 30, 2000, amounted to \$250,049 for the Sewer Enterprise Fund and \$254,551 for the Water Enterprise Fund.

7. LONG-TERM DEBT AND CAPITALIZED LEASES

General Obligation Debts: General obligation liabilities are direct obligations and pledge the full faith and credit of the City. The City has incurred these liabilities to provide funds for the acquisition and construction of major additions and to provide funds for major capital projects. The City has also issued general obligation bonds for sewer improvements. In accordance with GAAP, these bonds are reported in the Sewer Enterprise Fund. The City has dedicated ad valorem tax collections for payment of these liabilities.

The City's obligation relative to the governmental funds' liability for compensated absences is reported as a general obligation debt.

The City has also issued general obligation certificates of indebtedness. Those certificates, which were issued for sewer and water system improvements, and are being repaid from Sewer and Water System revenues, are reported in the respective enterprise funds. The other certificates, which are being repaid from General Fund revenues, are reported in the General Long-Term Debt Account Group.

Revenue Bonds: The City has issued two types of revenue bonds. The first type is water revenue bonds whereby the City pledges income derived from the acquired or constructed assets to pay for the debt service. The second type is sales tax revenue bonds whereby the City has pledged revenue from specifically dedicated sales tax collections to pay debt service.

CITY OF LEESVILLE
JUNE 30, 2000

NOTES TO FINANCIAL STATEMENTS

Long-term debt at June 30, 2000, consisted of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Enterprise</u>	<u>General Long-Term Debt</u>
Compensated absences			\$ 8,673	\$ 192,117
Capitalized leases				
Public works trucks (1997)	10/01/2002	6.00%		22,221
Sewer system truck (1997)	10/01/2002	6.00%	11,111	
Water system trucks (1997)	10/01/2002	6.00%	22,222	
Computer equipment and software (1998)	04/01/2002	9.35%		17,452
Computer equipment and software (1999)	07/01/2001	9.35%	4,993	
Police cars (2000)	11/01/2002	6.00%		36,578
General Obligation Debt				
Notes payable				
Economic development (1998)	05/01/2008	6.50%		241,297
Economic development (1998)	05/01/2008	6.50%		241,271
General obligation bonds				
General obligation refunding (1991)	04/01/2003	6.50-6.70%		450,000
Sewer system improvements (1995)	03/15/2015	2.95%	1,960,000	
Sewerage District No. 3 (1995)	03/15/2015	2.95%	1,960,000	
Certificates of indebtedness				
Water system improvements (1994)	10/01/2001	4.50%	430,000	
Economic development (1995)	06/01/2005	6.00%		400,000
Sewer system improvements (1997)	03/01/2007	5.25%	425,000	
Revenue Bonds				
Sales tax revenue bonds				
Streets, drainage, and sewer improvements (1994)	08/01/2005	5.40-5.45%		1,745,000
Water revenue bonds - refunding (1998)	04/01/2008	6.75-7.75%	652,000	
Gross			5,473,999	3,345,936
Deferred amount on water revenue bonds			(70,740)	
Net			\$ 5,403,259	\$ 3,345,936

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all debts outstanding as of June 30, 2000, other than compensated absences, including interest of \$1,908,957 are as follows:

Year Ending June 30,	Enterprise	General Long-Term Debt	Total
2001	\$ 759,803	\$ 713,163	\$ 1,472,966
2002	763,115	717,628	1,480,743
2003	521,213	692,530	1,213,743
2004	518,780	517,442	1,036,222
2005	523,610	515,658	1,039,268
2006-2015	<u>3,707,975</u>	<u>577,185</u>	<u>4,285,160</u>
	\$ 6,794,496	\$ 3,733,606	\$ 10,528,102

Total interest and fiscal charges incurred by governmental funds on general long-term debt amounted to \$207,994, for the current period. Total interest and fiscal charges incurred by proprietary funds amounted to \$252,919.

During the year ended June 30, 2000, the following changes occurred in long-term liabilities:

	Balance 7/1/99	Additions	Reductions	Balance 6/30/00
General Long-Term Debt Account Group				
Compensated absences - net	\$ 188,292	\$ 3,825	\$	\$ 192,117
Capitalized leases	68,581	44,573	(36,903)	76,251
Notes payable	527,740		(45,172)	482,568
General obligation bonds	580,000		(130,000)	450,000
Certificates of indebtedness	470,000		(70,000)	400,000
Sales tax revenue bonds	<u>1,975,000</u>		<u>(230,000)</u>	<u>1,745,000</u>
Totals	3,809,613	48,398	(512,075)	3,345,936
Enterprise Fund Debt				
Compensated absences-net	13,149		(4,476)	8,673
Capitalized leases	56,518		(18,192)	38,326
General obligation bonds	4,130,000		(210,000)	3,920,000
Certificates of indebtedness	1,110,000		(255,000)	855,000
Water revenue bonds	<u>713,000</u>		<u>(61,000)</u>	<u>652,000</u>
Totals	\$ 6,022,667	\$ -	\$ (548,668)	\$ 5,473,999

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

General Obligation Bonds, Series 1995 of the City of Leesville and General Obligation Bonds, Series 1995, of Sewer District No. 3 of the City of Leesville:

The material provisions of these bond covenants are as follows:

1. In compliance with the special election held on November 8, 1994, the City shall levy and collect annually ad valorem taxes in an amount sufficient to pay, when due, principal and interest on the bonds. The tax shall be expended only for the purpose of paying promptly when due the principal and interest on the bonds.
2. The City will, in accordance with prudent wastewater utility treatment practice, (i) at all time operate the properties of its System in an efficient manner, (ii) maintain the System in good repair working order and operating condition, and (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments, and improvements with respect to its System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted.
3. The City will keep accurate records and accounts for the System separate and distinct from its other records and accounts in accordance with generally accepted government accounting standards.
4. The City will establish a user charge system to assure that each recipient of wastewater treatment services will pay a proportionate share of the costs of operation and maintenance, including any necessary replacement of portions of the System.
5. There shall be established a separately identifiable fund or account to be designated the General Obligation Bond Sinking Fund. All monies from the collection of the ad valorem taxes shall be used solely to pay principal of and interest on the bonds.
6. There shall be established a separately identifiable fund or account to be designated the Sewer System Renewal and Replacement Fund. There shall be transferred to this fund, on or before the twentieth (20th) day of each month of each year, beginning no later than the first full month after the loan closing, an amount equal to five percent (5%) of net revenues collected in the prior calendar month until the balance in the renewal and replacement fund equals to \$75,000. All monies in the renewal and replacement fund may be drawn on and used by the System for the purpose of paying the costs of any unusual and extraordinary maintenance and any improvements to the System which will either enhance its revenue producing capacity or provide a higher degree of service.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

Violation of the indentures for the General Obligation Bonds, Series 1995 of the City of Leesville and General Obligation Bonds, Series 1995, of Sewer District No. 3 of the City of Leesville: Funds were not transferred to the Sewer System Renewal and Replacement Fund in accordance with Section 5.2 of the agreement.

Water System Refunding Series 1998 Bonds: The material provisions of water system refunding bond covenants are as follows:

1. The City will establish a rate structure sufficient to pay the necessary operating expenses, principal, and interest on the bonds. Revenues after paying operating expenses must be at least 120% of the largest amount of principal and interest maturing in any future fiscal year.
2. The City will transfer monthly to a debt service sinking fund one - sixth (1/6) of the next interest payment due and one - twelfth (1/12) of the next principal payment due.
3. The City will transfer monthly to the contingency fund an amount equal to five percent of the amount transferred to the sinking fund. Monies in this fund may be used for extensions, additions, improvements and replacements, and to pay principal and interest if funds are not otherwise available.
4. After funding necessary operations, sinking fund requirements, and contingency fund requirements, any remaining funds may be used for any lawful purpose of the City.

Violations of the Water System Refunding Bonds, Series 1998, Covenants:

1. Monthly sinking fund transfers were not made as required by the agreement. Periodic lump sum transfers were made to the sinking fund and, at June 30, 2000, the sinking fund was fully funded.
2. Monthly transfers were not made to the contingency fund as required by the agreement. A deficit of \$11,822 existed in the contingency fund at year-end.
3. Operating transfers were made to the General Fund prior to funding the above sinking and contingency funds.

Certificates of Indebtedness, Series 1994: The agreement requires that the City transfer monthly to a debt service sinking fund one-sixth (1/6) of the next interest payment due and one-twelfth (1/12) of the next principal payment due.

Violation of the Certificates of Indebtedness, Series 1994 Agreement: Transfers were not made to the sinking fund as required by the agreement. However, by year-end, the sinking fund was fully funded.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

Certificates of Indebtedness, Series 1995: The agreement requires that the City transfer monthly to a debt service sinking fund one-sixth (1/6) of the next interest payment due and one-twelfth (1/12) of the next principal payment due.

Sales Tax Revenue Bonds: The material provisions of sales tax revenue bond covenants are as follows:

1. The bonds and interest thereon are payable from the pledge and dedication of the City's sales tax.
2. The City will transfer monthly to a debt service sinking fund one - sixth (1/6) of the next interest payment due and one - twelfth (1/12) of the next principal payment due.
3. The City will establish a reserve fund in the amount of \$305,000. Monies in this fund may be used for principal and interest payments, if necessary.
4. Parity bonds may be issued if certain conditions are met.

8. CONTRIBUTED CAPITAL

Contributed capital in the enterprise funds consisted of the following at year-end:

Sewer System	\$ 3,935,065
Water System	<u>2,390,211</u>
	\$ 6,325,276

No changes in contributed capital occurred during the year.

9. RESERVED RETAINED EARNINGS

At June 30, 2000, retained earnings were reserved for the following purposes:

Sewer System Enterprise Fund – construction	\$ 58,239
Employee Benefits Insurance Internal Service Fund – employee benefits	<u>134,437</u>
	\$ 192,676

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

10. RESERVED FUND BALANCES

At June 30, 2000, fund balances were reserved for the following purposes:

Economic Development Special Revenue Fund - economic development	\$ 6,590
Debt Service Funds – future debt service	<u>735,321</u>
	\$ 741,911

11. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City normally on November 15 and are due on December 1. Billed taxes become delinquent on January 1 of the following year. Revenue from ad valorem taxes are budgeted in the year billed. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Vernon Parish.

For the year ended June 30, 2000, taxes of 25.42 mills were levied on property with assessed values totaling \$25,809,690, and were dedicated as follows:

General maintenance purposes	5.16 mills
Debt service	20.26 mills

Total taxes levied were \$656,084. All taxes were paid prior to the end of the current fiscal year; therefore, no allowance for doubtful accounts is provided.

12. ENTERPRISE FUNDS - OPERATIONS

The City operates two enterprise funds which provide sewer and water services to the residents of the City and certain adjacent areas. The following is a condensed summary of operations and other information for these funds.

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Operating revenues	\$ 462,522	\$ 1,058,037	\$ 1,520,559
Operating expenses			
Depreciation	(250,049)	(254,551)	(504,600)
Other	<u>(319,940)</u>	<u>(436,500)</u>	<u>(756,440)</u>
Operating income (loss)	(107,467)	366,986	259,519
Nonoperating revenues (expenses)			
Ad valorem taxes	346,927		346,927
Grant revenue	25,000		25,000

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

Interest revenue	5,813	584	6,397
Interest and fiscal charges	(152,361)	(100,558)	(252,919)
Operating transfers in (out)	<u>(664,428)</u>	<u>185,715</u>	<u>(478,713)</u>
Net income (loss)	\$ (546,516)	\$ 452,727	\$ (93,789)
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Other information			
Current capital contributions	\$ -	\$ -	\$ -
Net working capital	(120,136)	(272,755)	(392,891)
Total assets	9,129,373	3,936,209	13,065,582
General obligation bonds payable	3,920,000		3,920,000
Certificates of indebtedness payable	430,000	425,000	855,000
Revenue bonds payable		652,000	652,000
Total fund equity	4,605,799	2,571,188	7,176,987

13. EMPLOYEE BENEFITS INSURANCE

The City maintains a trust to finance employee hospitalization/health insurance and certain employee life insurance. Resources accumulated for health coverage in the trust are accounted for in the Employee Benefits Insurance Fund (an internal service fund). Under this program, the Employee Benefits Insurance Fund normally provides coverage for a maximum of \$15,000 for each covered employee's (and dependent's, if applicable) qualifying health claims. The Fund's normal aggregate retained loss per plan year is \$2,000,000. The Employee Benefits Insurance Fund purchased commercial insurance for health claims in excess of coverage provided and for certain employee life insurance. Under the terms of the trust agreement, the net assets of the Fund, \$134,437, at June 30, 2000, may only be used to provide employee benefits.

All funds of the City and covered employees participate in the program and make payments to the Employee Benefits Insurance Fund. The claims liability of \$38,031 reported in the Fund at June 30, 2000, is based upon GAAP, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in the fiscal year ending June 30, 2000, were as follows:

Balance, beginning of year	\$ 77,166
Current year claims	185,561
Claim payments	<u>(224,696)</u>
Balance, end of year	\$ 38,031

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

14. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	<u>Limits Of Coverage</u>
Workmen's compensation	Statutory
Auto liability	\$ 500,000
Commercial general liability	1,500,000
Law enforcement officers' liability (deductible \$5,000)	500,000
City-owned buildings and equipment - fire, lightning, and extended coverage	2,070,047
Wastewater treatment plant – fire, lightning, and extended coverage	1,561,000

The City covers all other losses, claim settlements, and judgments from General Fund resources. The City currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The City is party to legal proceedings involving suits filed against the City for various reasons. Some of these suits claim damages that are material in amount. The amount of losses, if any, that may arise from these suits can not be reasonably estimated. Management does not believe that the City is exposed to any material losses not covered by insurance. No provision for losses is included in the financial statements.

15. COMPENSATION PAID TO MAYOR AND CITY COUNCIL

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and members of the City Council of the City of Leesville, Louisiana, for the fiscal year ending June 30, 2000.

Mayor James S. Shapkoff, Jr.	\$ 12,000
Council Members	
Sullivan Battiste	4,025
Milton D. Dowd	4,025
William M. Elliott	4,200
Jerry L. Jeane	3,675
Joseph P. McKee	4,025
Alice F. Upshaw	4,025

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

16. PUBLIC EMPLOYEES' RETIREMENT SYSTEMS

The City contributes to three statewide cost-sharing, multiple-employer, defined benefit public employee retirement systems. These consist of the Municipal Police Employees' Retirement System of Louisiana (MPERS), the Firefighters' Retirement System (FRS), and the Louisiana State Employees' Retirement System (LASERS).

MPERS. Membership is mandatory for all full-time police officers employed by the City, provided they meet statutory criteria. Any member is eligible for normal retirement benefits after he has been a member of the System for one (1) year, if he has twenty-five (25) years of creditable service at any age, or if he has twenty (20) years of creditable service and is age fifty (50), or has twelve (12) years of creditable service and is age fifty-five (55). Benefit rates are three and one-third percent (3 1/3%) of final compensation per number of years of creditable service not to exceed one hundred percent (100%). Benefit and contribution requirements are established by state law. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Police Employees' Retirement System, P. O. Box 94095, Baton Rouge, LA 70804-9095.

Members are currently required to contribute seven and one-half percent (7 1/2%) of their annual salary to the system, including supplemental pay. The City contributes an actuarially determined rate, presently set at nine percent (9%) of the member's salary, including supplemental pay.

FRS. This Plan is a defined benefit pension plan covering firemen employed by a municipality, parish, or fire protection district of the State hired after December 31, 1979. Employees with twenty (20) or more years of service who have attained age fifty (50), employees who have twelve (12) years of service who have attained age fifty-five (55), or employees who have twenty-five (25) years of service at any age are entitled to annual pension benefits equal to three and one-third percent (3 1/3%) of their average final compensation based on the thirty-six (36) consecutive months of highest pay multiplied by their total years of service, not to exceed one hundred percent (100%). Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering twelve (12) years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Benefit and contribution requirements are established by state law. FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809.

Members are currently required to contribute eight percent (8%) of their annual salary, including supplemental pay to the Plan. The City contributes an actuarially determined rate, presently at nine percent (9%) of the member's salary, including supplemental pay.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

LASERS. All state employees except certain classes of employees specifically excluded by statute become members of the system as a condition of employment. Statewide elected officials and officials appointed by the governor may, at their option, become members of the System. The only member of this System from the City of Leesville is the city court judge. The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty (30) years of creditable service to age sixty (60) upon completing ten (10) years of creditable service.

The basic annual retirement benefit for substantially all members is equal to two and one-half percent (2 1/2%) of average compensation multiplied by the number of years of creditable service plus three hundred dollars (\$300). Average compensation is defined as the member's average annual earned compensation for the period of thirty-six (36) consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of one hundred percent (100%) of average compensation or certain specified dollar amounts or actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to one percent (1%) of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

Benefit and contribution requirements are established by state law.

LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to P. O. Box 44213, Baton Rouge, LA 70804-4213.

Judges, court officers, and legislators contribute eleven and one - half percent (11 1/2%) of their salary to the System. The City contributes an actuarially determined rate, presently set at 12.4% of the member's annual salary.

Required contributions: The City made the following required contributions to the various pension plans:

<u>Year Ending</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Totals</u>
06/30/00	\$ 36,811	\$ 23,202	\$ 443	\$ 60,456
06/30/99	33,144	23,558	446	57,148
06/30/98	38,708	24,222	468	63,398

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

17. DEFINED CONTRIBUTION PLAN

The City sponsors a defined contribution pension plan (the Plan) to provide benefits at retirement to all full-time employees who elect to participate. The Plan is administered by Public Employees Benefit Services Corporation. At June 30, 2000, there were 28 participants in the Plan. Plan members are required to contribute 5% of covered salary. The City is required to contribute 9% of the participant's covered salary. Plan provisions and contribution requirements are established by and may be amended by the City Council. Participant contributions were \$29,749 for the year ending June 30, 2000. Employer contributions were \$32,868. Participant and employer contributions are recognized in the period that the contributions are due.

18. SUPPLEMENTAL PAY

Certain employees meeting statutory qualifications in the police and fire departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$127,440 is recognized as revenue and expenditures in the General Fund and Sales Tax Special Revenue Fund as follows:

General Fund – police	\$ 80,360
Sales Tax Special Revenue Fund - fire	<u>47,080</u>
	\$ 127,440

19. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual governmental funds had expenditures, including transfers out, exceeding appropriations as approved in the budget:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$ 2,346,963	\$ 2,199,380	\$ 147,583
Special Revenue Funds			
Sales Tax Fund	1,699,743	1,655,030	44,713
Economic Development Fund	2,241	-	2,241
E 911 Communications District Fund	275,274	271,220	4,054
Law Enforcement Block Grant Fund	7,370	6,180	1,190

20. LEGAL COMPLIANCE

The following possible violations of state statutes occurred during the fiscal year:

Complete records, as required by Louisiana Revised Statutes for fixed assets for which the City is accountable, are not maintained.

**CITY OF LEESVILLE
JUNE 30, 2000**

NOTES TO FINANCIAL STATEMENTS

Expenditures, including operating transfers out, exceeded appropriations as approved in the budget by more than five percent in the General Fund.

21. CITY AS LESSOR

On May 15, 1998, the City leased to a tenant land and buildings at the North Leesville Industrial Park for a term of 10 years with rental payments of \$7,000 per month for the first 5 years and \$5,000 per month for the next 5 years. The tenant has the option to extend the term of this lease for two additional 5 year periods for a rental of \$5,000 per month. The cost of land and buildings leased to the tenant, which are included in general fixed assets and, therefore, not subject to depreciation, is \$3,191,978.

Total lease revenues for the fiscal year, consisting solely of minimum rentals on the above lease, amounted to \$84,000.

Minimum future rentals receivable on this lease, as of June 30, 2000, for each of the next five years and in aggregate are:

Year Ended <u>June 30,</u>	<u>Amount</u>
2001	\$ 84,000
2002	84,000
2003	80,000
2004	60,000
2005	60,000
Thereafter	<u>170,000</u>
	\$ 538,000

**COMBINING, INDIVIDUAL FUND, AND ACCOUNT
GROUP FINANCIAL STATEMENTS**

GENERAL FUND

This is the general operating fund of the City. It accounts for operations traditionally associated with a city which are not required to be accounted for in another fund.

CITY OF LEESVILLE, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2000

EXHIBIT F-1

ASSETS

Cash	\$ 48
Receivables	
Intergovernmental	45,479
Other	97,159
Due from other funds	
Sales Tax Special Revenue Fund ,	16,340
E911 Communications District Special Revenue Fund	2,016
Inventories	<u>42,821</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 203,863</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Cash overdraft	\$ 75,091
Accounts payable	109,325
Other current liabilities	7,457
Due to other funds	
Law Enforcement Block Grant Special Revenue Fund	1,474
Water System Bonds Debt Service Fund	<u>10,516</u>
Total Liabilities	203,863
 FUND BALANCE	
Unreserved - undesignated	<u>-</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 203,863</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT F-2

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 411,800	\$ 466,719	\$ 54,919
Licenses and permits	308,900	328,493	19,593
Intergovernmental	124,035	219,732	95,697
Charges for services	43,365	45,494	2,129
Fines and forfeitures	160,000	132,731	(27,269)
Interest	60	62	2
Other	101,900	102,113	213
Total Revenues	<u>1,150,060</u>	<u>1,295,344</u>	<u>145,284</u>
EXPENDITURES			
Current			
General government	412,829	381,523	31,306
Public safety	1,048,664	1,143,542	(94,878)
Public works	412,623	425,250	(12,627)
Economic development	55,275	59,102	(3,827)
Debt Service			
Principal	86,459	82,075	4,384
Interest	42,104	39,977	2,127
Capital Outlay	43,226	107,320	(64,094)
Total Expenditures	<u>2,101,180</u>	<u>2,238,789</u>	<u>(137,609)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(951,120)	(943,445)	7,675
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)			
Sales Tax Special Revenue Fund	600,000	583,215	(16,785)
Sewer System Enterprise Fund	200,000	240,232	40,232
Water System Enterprise Fund	250,000	126,194	(123,806)
Law Enforcement Block Grant Special Revenue Fund		(1,474)	(1,474)
Certificates of Indebtedness Debt Service Fund	(98,200)	(98,200)	-
LCDBG Capital Projects Fund		(8,500)	(8,500)
Total Other Financing Sources (Uses)	<u>951,800</u>	<u>841,467</u>	<u>(110,333)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	680	(101,978)	(102,658)
FUND BALANCE, BEGINNING OF YEAR	<u>101,978</u>	<u>101,978</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 102,658</u>	<u>\$ -</u>	<u>\$ (102,658)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT F-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Taxes			
Ad valorem	\$ 132,000	\$ 131,672	\$ (328)
Franchise	275,000	330,313	55,313
Other	<u>4,800</u>	<u>4,734</u>	<u>(66)</u>
Totals	411,800	466,719	54,919
Licenses and permits			
Occupational licenses	280,000	299,951	19,951
Building permits	27,000	26,664	(336)
Other licenses and permits	<u>1,900</u>	<u>1,878</u>	<u>(22)</u>
Totals	308,900	328,493	19,593
Intergovernmental			
Federal - law enforcement grants			
Law enforcement grants	24,070	23,113	(957)
Litter abatement grant	10,000	10,000	-
State			
Tobacco tax	29,100	38,797	9,697
Beer tax	20,900	23,778	2,878
Fire insurance rebate	12,000	12,077	77
Highway maintenance	10,350	10,350	-
Supplemental pay - police		80,360	80,360
DARE	<u>17,615</u>	<u>21,257</u>	<u>3,642</u>
Totals	124,035	219,732	95,697
Charges for services			
Animal shelter	6,350	6,382	32
Inspection fees	8,500	8,286	(214)
Police department fees	<u>28,515</u>	<u>30,826</u>	<u>2,311</u>
Totals	43,365	45,494	2,129
Fines and forfeitures - city court	160,000	132,731	(27,269)
Interest	60	62	2
Other			
Lease - industrial park	84,000	84,000	-
Miscellaneous	<u>17,900</u>	<u>18,113</u>	<u>213</u>
Totals	<u>101,900</u>	<u>102,113</u>	<u>213</u>
<u>TOTAL REVENUES</u>	<u>\$ 1,150,060</u>	<u>\$ 1,295,344</u>	<u>\$ 145,284</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT F-4
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CURRENT			
General Government			
Executive Department			
Salaries	\$ 37,200	\$ 35,975	\$ 1,225
Payroll taxes	2,850	2,752	98
Insurance	415	404	11
Travel	2,880	2,880	-
Public relations	1,750	3,053	(1,303)
Telephone and utilities	4,980	4,835	145
Totals	<u>50,075</u>	<u>49,899</u>	<u>176</u>
Finance Department			
Salaries	22,050	22,043	7
Payroll taxes	1,730	1,698	32
Insurance	100	224	(124)
Telephone and utilities	3,600	3,599	1
Totals	<u>27,480</u>	<u>27,564</u>	<u>(84)</u>
Administrative Department			
Salaries	47,155	46,553	602
Payroll taxes	3,700	3,519	181
Retirement	2,570	2,567	3
Insurance	13,960	16,407	(2,447)
Travel	3,000	2,002	998
Telephone and utilities	1,730	1,820	(90)
Totals	<u>72,115</u>	<u>72,868</u>	<u>(753)</u>
Legal Department			
Salaries	31,200	31,200	-
Payroll taxes	2,450	2,449	1
Other	7,490	7,376	114
Totals	<u>41,140</u>	<u>41,025</u>	<u>115</u>
Building Inspection Department			
Salaries	21,450	21,450	-
Payroll taxes	1,665	1,684	(19)
Insurance	1,895	1,739	156
Other	3,250	3,187	63
Totals	<u>28,260</u>	<u>28,060</u>	<u>200</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT F-4
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
General Expenses			
Liability insurance	\$ 62,948	\$ 24,637	\$ 38,311
Uniforms	12,500	13,876	(1,376)
Office supplies and expenses	2,500	2,543	(43)
Utilities	23,000	21,200	1,800
Publications	2,500	2,615	(115)
Dues	2,600	2,814	(214)
Employee drug testing	4,250	4,281	(31)
Operating supplies	16,500	17,275	(775)
Building maintenance	7,500	9,449	(1,949)
Computer and software maintenance	23,471	24,636	(1,165)
Equipment maintenance	3,000	3,119	(119)
Court costs	1,000	1,391	(391)
Professional services	12,850	12,843	7
Condemnations and demolition	11,500	13,296	(1,796)
Forestry grant expenditures	3,000	2,898	102
Garbage service	1,800	1,818	(18)
Other	2,840	3,416	(576)
Totals	<u>193,759</u>	<u>162,107</u>	<u>31,652</u>
Total General Government	412,829	381,523	31,306
Public Safety			
Police Department			
Salaries	582,885	585,350	(2,465)
State supplemental pay		80,360	(80,360)
Payroll taxes	55,460	57,918	(2,458)
Retirement	42,580	42,723	(143)
Insurance	143,144	142,520	624
Travel	6,000	6,027	(27)
Training	7,550	7,910	(360)
Uniforms	12,360	13,635	(1,275)
Office supplies	2,000	1,940	60
Telephone and utilities	17,350	18,593	(1,243)
Dues	6,800	7,079	(279)
Operating supplies	22,500	24,056	(1,556)
Gas and oil	20,000	23,949	(3,949)
Repairs and maintenance	40,200	41,745	(1,545)
Prisoner expenses	36,500	35,926	574
DARE program	3,405	3,983	(578)
Other	7,400	7,583	(183)
Totals	<u>1,006,134</u>	<u>1,101,297</u>	<u>(95,163)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT F-4
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Animal Shelter			
Salaries	\$ 35,025	\$ 35,024	\$ 1
Payroll taxes	2,730	2,749	(19)
Retirement	910	907	3
Supplies	700	464	236
Veterinarian expenses	1,000	876	124
Other	2,165	2,225	(60)
Totals	<u>42,530</u>	<u>42,245</u>	<u>285</u>
Total Public Safety	1,048,664	1,143,542	(94,878)
 Public Works			
Public Works Department			
Salaries	143,480	141,044	2,436
Payroll taxes	15,960	16,314	(354)
Retirement	1,665	1,661	4
Insurance	44,333	44,444	(111)
Telephone and utilities	70,000	68,668	1,332
Supplies	33,000	41,657	(8,657)
Gas and oil	8,500	9,706	(1,206)
Repairs and maintenance	35,000	38,690	(3,690)
Cutting contract	11,000	14,467	(3,467)
Other	7,240	8,618	(1,378)
Totals	<u>370,178</u>	<u>385,269</u>	<u>(15,091)</u>
 Shop Department			
Salaries	26,070	27,231	(1,161)
Payroll taxes	2,560	2,665	(105)
Retirement	1,060	1,059	1
Insurance	4,705	4,885	(180)
Supplies	7,000	2,444	4,556
Repairs and maintenance	1,050	1,697	(647)
Totals	<u>42,445</u>	<u>39,981</u>	<u>2,464</u>
Total Public Works	412,623	425,250	(12,627)

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT F-4
(Concluded)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Economic Development			
Airport			
Management fees	\$ 9,600	\$ 8,800	\$ 800
Insurance	5,460	5,421	39
Utilities	8,300	8,973	(673)
Supplies	2,500	2,598	(98)
Repairs and maintenance	4,500	5,774	(1,274)
Other	1,320	1,310	10
Totals	31,680	32,876	(1,196)
Economic Development Office			
Salaries	15,000	15,000	-
Payroll taxes	1,015	1,027	(12)
Insurance	4,080	4,072	8
Supplies	1,500	1,653	(153)
Telephone and utilities	2,000	1,971	29
Other		2,503	(2,503)
Totals	23,595	26,226	(2,631)
Total Economic Development	55,275	59,102	(3,827)
DEBT SERVICE			
Principal	86,459	82,075	4,384
Interest	42,104	39,977	2,127
Total Debt Service	128,563	122,052	6,511
CAPITAL OUTLAY			
General government	40,000	40,238	(238)
Public safety	2,883	1,457	1,426
Public works	343	65,625	(65,282)
Total Capital Outlay	43,226	107,320	(64,094)
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,101,180</u>	<u>\$ 2,238,789</u>	<u>\$ (137,609)</u>

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund accounts for revenues generated by the one cent sales and use tax. Proceeds are dedicated as follows: Debt service of sales tax bonds; operations of public works; operations of sewer system; operations of fire department; and operations of recreation department.

Economic Development Fund accounts for monies available for economic development purposes.

E 911 Communications District Fund accounts for the intergovernmental agreement with the Vernon Parish Police Jury and the Vernon Parish Communications District for the operation of the Vernon Parish enhanced 911 emergency system. Funding is provided by telephone surcharges.

Law Enforcement Block Grant Fund accounts for revenues received from a federal program for crime prevention.

Drug Forfeiture Fund accounts for revenues received from drug related cases. The revenues may be used for drug enforcement activities.

CITY OF LEESVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

EXHIBIT G-1

	Sales Tax	Economic Development	E911 Communications District	Law Enforcement Block Grant	Drug Forfeiture	Total
Cash	\$ 131,297	\$ 6,590	\$ 215,357	\$ 20,835	\$ 5,243	\$ 379,322
Accounts receivable			45,399			45,399
Due from other funds						
General Fund				1,474		1,474
Water Enterprise Fund	95,000					95,000
<u>TOTAL ASSETS</u>	<u>226,297</u>	<u>6,590</u>	<u>260,756</u>	<u>22,309</u>	<u>5,243</u>	<u>521,195</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	11,765		3,262			15,027
Due to General Fund	16,340		2,016			18,356
Deferred revenues				22,309		22,309
Total Liabilities	28,105	-	5,278	22,309	-	55,692
FUND BALANCES						
Reserved for economic development		6,590				6,590
Unreserved - undesignated	198,192		255,478		5,243	458,913
Total Fund Balances	198,192	6,590	255,478	-	5,243	465,503
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>226,297</u>	<u>6,590</u>	<u>260,756</u>	<u>22,309</u>	<u>5,243</u>	<u>521,195</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2000

EXHIBIT G-2

	Sales Tax	Economic Development	E911 Communications District	Law Enforcement Block Grant	Drug Forfeiture	Total
REVENUES						
Taxes	\$ 1,682,501	\$	\$	\$	\$	\$ 1,682,501
Intergovernmental	47,080			5,694	14,892	67,666
Charges for services	85,572		342,930			428,502
Interest		583	3,414	202	83	4,282
Other	2,125		290			2,415
Total Revenues	1,817,278	583	346,634	5,896	14,975	2,185,366
EXPENDITURES						
Current						
General government	77,842					77,842
Public safety	482,113		274,336	7,004	2,932	766,385
Culture and recreation	213,428					213,428
Capital outlay	2,370		938	366	6,800	10,474
Total Expenditures	775,753	-	275,274	7,370	9,732	1,068,129
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,041,525	583	71,360	(1,474)	5,243	1,117,237
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)						
General Fund	(583,215)			1,474		(581,741)
Debt Service Funds	(340,775)					(340,775)
Capital Projects Funds		(2,241)				(2,241)
Total Other Financing Sources (Uses)	(923,990)	(2,241)	-	1,474	-	(924,757)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	117,535	(1,658)	71,360	-	5,243	192,480
FUND BALANCES, BEGINNING OF YEAR	80,657	8,248	184,118	-	-	273,023
FUND BALANCES, END OF YEAR	\$ 198,192	\$ 6,590	\$ 255,478	\$ -	\$ 5,243	\$ 465,503

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
SALES TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT G-3
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Sales tax	\$ 1,680,000	\$ 1,682,501	\$ 2,501
Intergovernmental - state supplemental pay		47,080	47,080
Charges for services - recreation	84,100	85,572	1,472
Other	<u>2,325</u>	<u>2,125</u>	<u>(200)</u>
Total Revenues	1,766,425	1,817,278	50,853
EXPENDITURES			
Current			
General government			
Salaries	62,870	62,867	3
Payroll taxes	4,745	4,764	(19)
Retirement	2,855	2,854	1
Insurance	1,715	1,703	12
Professional fees	5,000	5,000	-
Other	<u>750</u>	<u>654</u>	<u>96</u>
Total General Government	77,935	77,842	93
Public safety - Fire Department			
Salaries	269,620	269,059	561
State supplemental pay		47,080	(47,080)
Payroll taxes	25,430	25,965	(535)
Retirement	24,650	24,468	182
Insurance	70,840	73,086	(2,246)
Training	500	430	70
Telephone and utilities	8,500	8,125	375
Supplies	14,600	14,823	(223)
Gas and oil	3,300	3,741	(441)
Repairs and maintenance	11,600	13,276	(1,676)
Other	<u>2,400</u>	<u>2,060</u>	<u>340</u>
Total Public Safety	431,440	482,113	(50,673)

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
SALES TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT G-3
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Culture and recreation			
Recreation			
Salaries	\$ 66,810	\$ 66,819	\$ (9)
Payroll taxes	5,100	5,120	(20)
Insurance	5,405	12,421	(7,016)
Telephone and utilities	12,750	10,386	2,364
Supplies	10,000	9,999	1
Gas and oil	2,800	2,860	(60)
Repairs and maintenance	11,000	12,239	(1,239)
Items purchased for resale	2,500	1,928	572
Garbage service	<u>2,520</u>	<u>2,523</u>	<u>(3)</u>
Total Recreation	118,885	124,295	(5,410)
Recreation Complex			
Salaries	11,400	11,400	-
Payroll taxes	755	754	1
Insurance	405	433	(28)
Professional fees	4,800	4,800	-
Telephone and utilities	3,500	4,012	(512)
Supplies	12,000	12,657	(657)
Other	<u>1,465</u>	<u>2,497</u>	<u>(1,032)</u>
Total Recreation Complex	34,325	36,553	(2,228)
Neighborhood Center			
Salaries	30,350	30,336	14
Payroll taxes	2,300	2,305	(5)
Retirement	1,050	1,047	3
Insurance	5,120	6,849	(1,729)
Telephone and utilities	4,500	4,856	(356)
Supplies	4,500	4,302	198
Repairs and maintenance	<u>2,000</u>	<u>2,885</u>	<u>(885)</u>
Total Neighborhood Center	<u>49,820</u>	<u>52,580</u>	<u>(2,760)</u>
Total Culture and Recreation	203,030	213,428	(10,398)

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
SALES TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT G-3
(Concluded)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Capital Outlay			
Culture and recreation	\$ 1,850	\$ 2,370	\$ (520)
Total Expenditures	<u>714,255</u>	<u>775,753</u>	<u>(61,498)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 1,052,170	 1,041,525	 (10,645)
 OTHER FINANCING USES			
Operating transfers (out)			
General Fund	(600,000)	(583,215)	16,785
Sales Tax Bonds Debt Service Fund	<u>(340,775)</u>	<u>(340,775)</u>	<u>-</u>
Total Other Financing Uses	<u>(940,775)</u>	<u>(923,990)</u>	<u>16,785</u>
 EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	 111,395	 117,535	 6,140
 FUND BALANCE, BEGINNING OF YEAR	 <u>80,657</u>	 <u>80,657</u>	 <u>-</u>
 <u>FUND BALANCE, END OF YEAR</u>	 <u>\$ 192,052</u>	 <u>\$ 198,192</u>	 <u>\$ 6,140</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT G-4

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 575	\$ 583	\$ 8
OTHER FINANCING USES			
Operating transfers (out)			
Industrial Park Buildings Construction Capital Projects Fund	<u> </u>	<u>(2,241)</u>	<u>(2,241)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER OTHER FINANCING USES	575	(1,658)	(2,233)
FUND BALANCE, BEGINNING OF YEAR	<u>8,248</u>	<u>8,248</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 8,823</u>	<u>\$ 6,590</u>	<u>\$ (2,233)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
E911 COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT G-5

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Charges for services - telephone surcharges	\$ 295,000	\$ 342,930	\$ 47,930
Interest	3,350	3,414	64
Other	<u>300</u>	<u>290</u>	<u>(10)</u>
Total Revenues	298,650	346,634	47,984
EXPENDITURES			
Current			
Public Safety			
Salaries	147,000	147,345	(345)
Payroll taxes	11,400	11,973	(573)
Retirement	5,090	5,087	3
Insurance	13,680	14,499	(819)
Office supplies and expenses	500	395	105
Telephone and utilities	83,200	84,031	(831)
Supplies	2,500	3,199	(699)
Gas and oil	1,750	1,775	(25)
Repairs and maintenance	2,500	2,299	201
Other	3,600	3,733	(133)
Capital outlay	<u>938</u>	<u>938</u>	<u>(938)</u>
Total Expenditures	<u>271,220</u>	<u>275,274</u>	<u>(4,054)</u>
EXCESS OF REVENUES OVER EXPENDITURES	27,430	71,360	43,930
FUND BALANCE, BEGINNING OF YEAR	<u>184,118</u>	<u>184,118</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 211,548</u>	<u>\$ 255,478</u>	<u>\$ 43,930</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT G-6

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental - federal grant	\$ 21,135	\$ 5,694	\$ (15,441)
Interest	<u>140</u>	<u>202</u>	<u>62</u>
Total Revenues	21,275	5,896	(15,379)
EXPENDITURES			
Current			
Public Safety - Police Department			
Salaries	5,025	6,134	(1,109)
Payroll taxes	380	463	(83)
Other	410	407	3
Capital outlay	<u>365</u>	<u>366</u>	<u>(1)</u>
Total Expenditures	<u>6,180</u>	<u>7,370</u>	<u>(1,190)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,095	(1,474)	(16,569)
OTHER FINANCING SOURCES			
Operating transfers in			
General Fund	<u> </u>	<u>1,474</u>	<u>1,474</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	15,095	-	(15,095)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 15,095</u>	<u>\$ -</u>	<u>\$ (15,095)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
 DRUG FORFEITURE SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2000

EXHIBIT G-7

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental - drug forfeiture proceeds	\$ 14,890	\$ 14,892	\$ 2
Interest	<u>75</u>	<u>83</u>	<u>8</u>
Total Revenues	14,965	14,975	10
EXPENDITURES			
Current			
Public Safety - Police Department			
Investigations	1,255	1,256	(1)
Training	1,675	1,676	(1)
Capital outlay	<u>6,800</u>	<u>6,800</u>	<u>-</u>
Total Expenditures	<u>9,730</u>	<u>9,732</u>	<u>(2)</u>
EXCESS OF REVENUES OVER EXPENDITURES	5,235	5,243	8
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 5,235</u>	<u>\$ 5,243</u>	<u>\$ 8</u>

The accompanying notes are an integral part of the financial statements.

DEBT SERVICE FUNDS

Debt Service Funds account for financial resources accumulated for servicing of certain general obligation debt issues.

General Obligation Bonds Fund accounts for resources accumulated for payment of principal and interest of the General Obligation Refunding Bonds, Series 1991. These bonds are secured as to payment by ad valorem tax assessed on all property and improvements in the City of Leesville.

Sales Tax Bonds Fund accounts for resources accumulated for payment of principal and interest of the Public Improvement Bonds, Series ST-1992. These bonds are secured as to payment by the revenues of the special one percent sales and use tax levied and collected by the City.

Certificates of Indebtedness Funds accounts for resources accumulated for payment of principal and interest of the Certificates of Indebtedness, Series 1995. These certificates are secured as to payment from a pledge and dedication of the excess of annual revenues of the City.

CITY OF LEESVILLE, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

EXHIBIT H-1

	<u>General Obligation Bonds</u>	<u>Sales Tax Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Total</u>
ASSETS				
Cash	\$ 24,060	\$ 272,965	\$ 53,905	\$ 350,930
Investments		371,293		371,293
Accrued interest receivable		2,582		2,582
Due from General Fund	<u>10,516</u>			<u>10,516</u>
<u>TOTAL ASSETS</u>	<u>\$ 34,576</u>	<u>\$ 646,840</u>	<u>\$ 53,905</u>	<u>\$ 735,321</u>
FUND BALANCES				
Reserved for debt service	<u>\$ 34,576</u>	<u>\$ 646,840</u>	<u>\$ 53,905</u>	<u>\$ 735,321</u>
<u>TOTAL FUND BALANCES</u>	<u>\$ 34,576</u>	<u>\$ 646,840</u>	<u>\$ 53,905</u>	<u>\$ 735,321</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2000

EXHIBIT H-2

	General Obligation Bonds	Sales Tax Bonds	Certificates of Indebtedness	Total
REVENUES				
Ad valorem taxes	\$ 173,359	\$	\$	\$ 173,359
Interest	<u>819</u>	<u>20,534</u>	<u>1,759</u>	<u>23,112</u>
Total Revenues	174,178	20,534	1,759	196,471
EXPENDITURES				
Debt service				
Principal retirement	130,000	230,000	70,000	430,000
Interest and fiscal charges	<u>38,642</u>	<u>101,175</u>	<u>28,200</u>	<u>168,017</u>
Total Expenditures	<u>168,642</u>	<u>331,175</u>	<u>98,200</u>	<u>598,017</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,536	(310,641)	(96,441)	(401,546)
OTHER FINANCING SOURCES				
Operating transfers in				
General Fund			98,200	98,200
Sales Tax Special Revenue Fund		<u>340,775</u>		<u>340,775</u>
Total Other Financing Sources	<u>-</u>	<u>340,775</u>	<u>98,200</u>	<u>438,975</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	5,536	30,134	1,759	37,429
FUND BALANCES, BEGINNING OF YEAR	<u>29,040</u>	<u>616,706</u>	<u>52,146</u>	<u>697,892</u>
<u>FUND BALANCES, END OF YEAR</u>	<u>\$ 34,576</u>	<u>\$ 646,840</u>	<u>\$ 53,905</u>	<u>\$ 735,321</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000

EXHIBIT H-3

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes	\$ 173,000	\$ 173,359	\$ 359
Interest	<u>770</u>	<u>819</u>	<u>49</u>
Total Revenues	173,770	174,178	408
EXPENDITURES			
Debt service			
Principal retirement	130,000	130,000	-
Interest and fiscal charges	<u>38,640</u>	<u>38,642</u>	<u>(2)</u>
Total Expenditures	<u>168,640</u>	<u>168,642</u>	<u>(2)</u>
EXCESS OF REVENUES OVER EXPENDITURES	5,130	5,536	406
FUND BALANCE, BEGINNING OF YEAR	<u>29,040</u>	<u>29,040</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 34,170</u>	<u>\$ 34,576</u>	<u>\$ 406</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
 SALES TAX BONDS DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2000

EXHIBIT H-4

	<u>Budget</u>	<u>Actual</u>	Variance Favorable Unfavorable
REVENUES			
Interest	\$ 16,155	\$ 20,534	\$ 4,379
EXPENDITURES			
Debt service			
Principal retirement	230,000	230,000	-
Interest and fiscal charges	<u>101,175</u>	<u>101,175</u>	<u>-</u>
Total Expenditures	<u>331,175</u>	<u>331,175</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(315,020)	(310,641)	4,379
OTHER FINANCING SOURCES			
Operating transfers in			
Sales Tax Special Revenue Fund	<u>315,775</u>	<u>340,775</u>	<u>25,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	755	30,134	29,379
FUND BALANCE, BEGINNING OF YEAR	<u>616,706</u>	<u>616,706</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 617,461</u>	<u>\$ 646,840</u>	<u>\$ 29,379</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
 CERTIFICATES OF INDEBTEDNESS DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2000

EXHIBIT H-5

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 1,500	\$ 1,759	\$ 259
EXPENDITURES			
Debt service			
Principal retirement	70,000	70,000	-
Interest and fiscal charges	<u>28,200</u>	<u>28,200</u>	-
Total Expenditures	<u>98,200</u>	<u>98,200</u>	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(96,700)	(96,441)	259
OTHER FINANCING SOURCES			
Operating transfers in General Fund	<u>98,200</u>	<u>98,200</u>	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,500	1,759	259
FUND BALANCE, BEGINNING OF YEAR	<u>52,146</u>	<u>52,146</u>	-
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 53,646</u>	<u>\$ 53,905</u>	<u>\$ 259</u>

The accompanying notes are an integral part of the financial statements.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital additions, other than those financed by proprietary funds.

Airport Construction Fund accounts for construction of improvements at the airport. Funding is provided primarily by federal and state grants. The project is currently inactive pending additional funding.

Industrial Park Infrastructure Construction Fund accounted for construction of the infrastructure at the North Industrial Park.

Industrial Park Buildings Construction Fund accounted for construction of buildings at the North Industrial Park.

LCDBG Fund accounts for the proceeds of LCDBG grants. Activity in this fund, during the year ended June 30, 2000, consisted of administrative costs incurred in acquiring the new grant, which will be used for street improvements.

CITY OF LEESVILLE, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

EXHIBIT I-1

ASSETS

	Airport Construction	Industrial Park Infrastructure Construction	Industrial Park Buildings Construction	LCDBG	Total
Cash	\$ 29,953	\$	\$	\$ 327	\$ 30,280
<u>TOTAL ASSETS</u>	<u>\$ 29,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 30,280</u>

62

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts and contracts payable	\$	\$	\$	\$ 327	\$ 327
Deferred revenue	29,953				29,953
Total Liabilities	29,953	-	-	327	30,280

FUND BALANCES

Unreserved - undesignated	-	-	-	-	-
---------------------------	---	---	---	---	---

TOTAL LIABILITIES AND FUND BALANCES

\$ 29,953	\$ -	\$ -	\$ 327	\$ 30,280
-----------	------	------	--------	-----------

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (ACCUMULATED DEFICIT)
YEAR ENDED JUNE 30, 2000

EXHIBIT I-2

	Industrial Park				LCDBG	Total
	Airport Construction	Infrastructure Construction	Buildings Construction			
REVENUES						
Intergovernmental - state grant			\$ 162,731	\$	\$	162,731
Interest		70				70
Other		2,781				2,781
Total Revenues	-	2,851	162,731	-		165,582
EXPENDITURES						
Current - General government - Grant administration				10,741		10,741
Capital outlay - Economic development - Industrial buildings			78,346			78,346
Total Expenditures	-	-	78,346	10,741		89,087
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,851	84,385	(10,741)		76,495
OTHER FINANCING SOURCES						
Operating transfers in						
General Fund				8,500		8,500
Economic Development Special Revenue Fund				2,241		2,241
Sewer System Enterprise Fund			112,287			112,287
Total Other Financing Sources	-	-	112,287	10,741		123,028
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-	2,851	196,672	-		199,523
FUND BALANCES (ACCUMULATED DEFICIT), BEGINNING OF YEAR	-	266	(199,789)	-		(199,523)
RESIDUAL EQUITY TRANSFER		(3,117)	3,117			-
<u>FUND BALANCES, END OF YEAR</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Sewer System Fund accounts for the sewer services provided to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Water System Fund accounts for water services provided to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF LEESVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

EXHIBIT J-1
(Continued)

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Accounts receivable (Net of allowance for doubtful accounts)	\$ 64,650	\$ 128,820	\$ 193,470
RESTRICTED ASSETS			
Cash	305,794	217,368	523,162
PROPERTY, PLANT, AND EQUIPMENT			
Property, plant and equipment	10,820,317	6,384,854	17,205,171
Accumulated depreciation	<u>(2,114,792)</u>	<u>(2,796,230)</u>	<u>(4,911,022)</u>
Net Property, Plant, and Equipment	8,705,525	3,588,624	12,294,149
OTHER ASSETS			
Bond issuance costs - net	48,590		48,590
Certificate of indebtedness issuance costs - net	<u>4,814</u>	<u>1,397</u>	<u>6,211</u>
Total Other Assets	<u>53,404</u>	<u>1,397</u>	<u>54,801</u>
<u>TOTAL ASSETS</u>	<u>\$ 9,129,373</u>	<u>\$ 3,936,209</u>	<u>\$13,065,582</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

EXHIBIT J-1
(Concluded)

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
Bank overdraft	\$ 111,140	\$ 554	\$ 111,694
Accounts payable	8,727	30,655	39,382
Accrued expenses and other current liabilities	10,042	28,296	38,338
Due to Sales Tax Special Revenue Fund		95,000	95,000
Current portion of long-term debt	54,877	75,029	129,906
Customers' deposits		172,041	172,041
Total Current Liabilities	184,786	401,575	586,361
LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Current portion of long-term debt	210,000	217,368	427,368
Accrued interest	37,555		37,555
Total Liabilities Payable from Restricted Assets	247,555	217,368	464,923
LONG-TERM DEBT			
Capitalized leases	6,233	12,818	19,051
General obligation bonds	3,710,000		3,710,000
Certificates of indebtedness	375,000	220,000	595,000
Revenue bonds		513,260	513,260
Total Long-Term Debt	4,091,233	746,078	4,837,311
Total Liabilities	4,523,574	1,365,021	5,888,595
FUND EQUITY			
Contributed capital	3,935,065	2,390,211	6,325,276
Retained earnings			
Reserved for construction	58,239		58,239
Unreserved	612,495	180,977	793,472
Total Retained Earnings	670,734	180,977	851,711
Total Fund Equity	4,605,799	2,571,188	7,176,987
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 9,129,373</u>	<u>\$ 3,936,209</u>	<u>\$13,065,582</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)
YEAR ENDED JUNE 30, 2000

EXHIBIT J-2

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
OPERATING REVENUE			
Charges for services	\$ 462,522	\$ 1,058,037	\$ 1,520,559
OPERATING EXPENSES			
Salaries, payroll taxes, and retirement	113,063	161,432	274,495
Repairs and maintenance	53,267	49,102	102,369
Depreciation	250,049	254,551	504,600
Operating supplies	29,737	26,396	56,133
Utilities and telephone	69,670	113,887	183,557
Provision for doubtful accounts	4,112	2,350	6,462
Insurance	25,666	44,387	70,053
Other	24,425	38,946	63,371
Total Operating Expenses	<u>569,989</u>	<u>691,051</u>	<u>1,261,040</u>
OPERATING INCOME (LOSS)	(107,467)	366,986	259,519
NONOPERATING REVENUES (EXPENSES)			
Ad valorem taxes	346,927		346,927
Grant revenue	25,000		25,000
Interest revenue	5,813	584	6,397
Interest expense and fiscal charges	<u>(152,361)</u>	<u>(100,558)</u>	<u>(252,919)</u>
Total Nonoperating Revenues (Expenses)	<u>225,379</u>	<u>(99,974)</u>	<u>125,405</u>
INCOME BEFORE OPERATING TRANSFERS	117,912	267,012	384,924
OPERATING TRANSFERS IN (OUT)			
General Fund	(240,232)	(126,194)	(366,426)
Industrial Park Buildings Construction Capital Projects Fund	(112,287)		(112,287)
Enterprise Funds	<u>(311,909)</u>	<u>311,909</u>	<u>-</u>
Total Operating Transfers In (Out)	<u>(664,428)</u>	<u>185,715</u>	<u>(478,713)</u>
NET INCOME (LOSS)	(546,516)	452,727	(93,789)
RETAINED EARNINGS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	<u>1,217,250</u>	<u>(271,750)</u>	<u>945,500</u>
<u>RETAINED EARNINGS, END OF YEAR</u>	<u>\$ 670,734</u>	<u>\$ 180,977</u>	<u>\$ 851,711</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2000

EXHIBIT J-3

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (107,467)	\$ 366,986	\$ 259,519
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	250,049	254,551	504,600
Provision for doubtful accounts	4,112	2,350	6,462
Changes in assets and liabilities			
Accounts receivable	(1,901)	(453)	(2,354)
Accounts payable	(2,224)	19,628	17,404
Accrued expenses and other current liabilities	(711)	(3,828)	(4,539)
Customers' deposits	<u>5,447</u>	<u>5,447</u>	<u>5,447</u>
Net Cash Provided by Operating Activities	141,858	644,681	786,539
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Bank overdraft	111,140	554	111,694
Grant revenue	25,000		25,000
Operating transfers - net	<u>(302,039)</u>	<u>(201,108)</u>	<u>(503,147)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	(165,899)	(200,554)	(366,453)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Ad valorem taxes	368,324		368,324
Acquisition and construction of property, plant and equipment	(14,320)		(14,320)
Payments of bonds and other indebtedness	(264,961)	(279,231)	(544,192)
Interest paid on long-term debt	<u>(148,035)</u>	<u>(81,133)</u>	<u>(229,168)</u>
Net Cash Provided (Used) by Capital Financing Activities	(58,992)	(360,364)	(419,356)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>5,813</u>	<u>584</u>	<u>6,397</u>
Net Cash Provided by Investing Activities	<u>5,813</u>	<u>584</u>	<u>6,397</u>
INCREASE (DECREASE) IN CASH	(77,220)	84,347	7,127
CASH, BEGINNING OF YEAR	<u>383,014</u>	<u>133,021</u>	<u>516,035</u>
<u>CASH, END OF YEAR</u>	<u>\$ 305,794</u>	<u>\$ 217,368</u>	<u>\$ 523,162</u>
CLASSIFIED AS			
Current assets	\$ -	\$ -	\$ -
Restricted assets	<u>305,794</u>	<u>217,368</u>	<u>523,162</u>
<u>TOTALS</u>	<u>\$ 305,794</u>	<u>\$ 217,368</u>	<u>\$ 523,162</u>

The accompanying notes are an integral part of the financial statements.

INTERNAL SERVICE FUND

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis.

Employee Benefits Insurance Fund accounts for the provision of hospitalization/health insurance to employees of the City. A defined amount is self insured and provision is made for excess coverage through premiums paid to a third party. In addition, certain life insurance is provided for employees through premiums paid to a third party insurance carrier.

CITY OF LEESVILLE, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE BENEFITS INSURANCE FUND
JUNE 30, 2000

EXHIBIT K-1

ASSETS

CURRENT ASSETS

Cash	\$ 148,441
Accounts receivable	<u>24,027</u>

TOTAL ASSETS

\$ 172,468

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Claims payable	\$ 38,031
----------------	-----------

EQUITY

Retained earnings	
Reserved for employee benefits	<u>134,437</u>

TOTAL LIABILITIES AND EQUITY

\$ 172,468

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE BENEFITS INSURANCE FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 2000

EXHIBIT K-2

OPERATING REVENUES

Charges for services - employer and employee contributions	\$ 313,763
Other	
Stop loss reimbursements	3,974
Miscellaneous	<u>8,503</u>
Total Operating Revenues	326,240

OPERATING EXPENSES

Administrative costs	23,779
Claims paid	185,561
Insurance premiums	
Hospitalization/health	68,235
Life	<u>3,465</u>
Total Operating Expenses	<u>281,040</u>

OPERATING INCOME	45,200
------------------	--------

NONOPERATING REVENUES

Interest revenue	<u>3,039</u>
------------------	--------------

NET INCOME	48,239
------------	--------

RETAINED EARNINGS, BEGINNING OF YEAR	<u>86,198</u>
--------------------------------------	---------------

<u>RETAINED EARNINGS, END OF YEAR</u>	<u>\$ 134,437</u>
---------------------------------------	-------------------

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE BENEFITS INSURANCE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2000

EXHIBIT K-3

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 45,200
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Changes in assets and liabilities	
Accounts receivable	(19,048)
Deposit	2,680
Claims payable	<u>(39,135)</u>
Net Cash Provided (Used) by Operating Activities	(10,303)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	 -
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	 -
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>3,039</u>
Net Cash Provided by Investing Activities	<u>3,039</u>
 INCREASE (DECREASE) IN CASH	 (7,264)
 CASH, BEGINNING OF YEAR	 <u>155,705</u>
 <u>CASH, END OF YEAR</u>	 <u>\$ 148,441</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group accounts for fixed assets other than those used in the proprietary funds.

CITY OF LEESVILLE, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 2000

EXHIBIT L-1

GENERAL FIXED ASSETS

Land	\$ 328,696
Buildings	5,535,623
Improvements other than buildings	16,104,468
Equipment	<u>2,837,063</u>

TOTAL GENERAL FIXED ASSETS

\$ 24,805,850

INVESTMENT IN GENERAL FIXED ASSETS

General Fund revenues	\$ 6,684,287
Sales Tax revenues	4,430,247
E911 Communications District revenues	180,072
Federal and state grants	10,456,252
General public contributions	<u>3,054,992</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS

\$ 24,805,850

The accompanying notes are an integral part of the financial statements.

CITY OF LEESVILLE, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED JUNE 30, 2000

EXHIBIT L-2

	Land	Buildings	Other Improvements	Equipment	Construction In Progress	Total
GENERAL FIXED ASSETS, BEGINNING OF YEAR	\$ 328,696	\$ 4,879,077	\$ 16,104,468	\$ 2,846,137	\$ 541,165	\$ 24,699,543
ADDITIONS						
General Fund revenues		37,036		8,419		45,455
Sales Tax revenues				14,720		14,720
E911 Communications District revenues				5,443		5,443
Federal and state grants					78,345	78,345
RETIREMENTS				(37,656)		(37,656)
COMPLETED CONSTRUCTION		619,510			(619,510)	-
<u>GENERAL FIXED ASSETS, END OF YEAR</u>	<u>\$ 328,696</u>	<u>\$ 5,535,623</u>	<u>\$ 16,104,468</u>	<u>\$ 2,837,063</u>	<u>\$ -</u>	<u>\$ 24,805,850</u>

The accompanying notes are an integral part of the financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

This account group accounts for long-term debt not recorded in any other fund.

CITY OF LEESVILLE, LOUISIANA
COMBINING STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 2000

EXHIBIT M-1

	Ad valorem Tax	Sales Tax Bonds	Certificates of Indebtedness, Series 1995	Notes Payable	Capitalized Leases	Compensated Absences Payable	Total
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG- TERM DEBT							
Amount available in Debt Service							
Funds for debt retirement	\$ 34,576	\$ 646,840	\$ 53,905	\$	\$	\$	\$ 735,321
Amount to be provided for the retirement of general long- term debt principal from							
Ad valorem tax revenues	415,424						415,424
Sales tax revenues		1,098,160				69,247	1,167,407
General Fund revenues			346,095	482,568	76,251	122,870	1,027,784
TOTAL AVAILABLE AND TO BE PROVIDED	\$ 450,000	\$ 1,745,000	\$ 400,000	\$ 482,568	\$ 76,251	\$ 192,117	\$ 3,345,936
GENERAL LONG-TERM DEBT PAYABLE							
Compensated absences payable	\$	\$	\$	\$	\$	\$ 192,117	\$ 192,117
Capitalized leases payable					76,251		76,251
Notes payable				482,568			482,568
General obligation bonds payable	450,000						450,000
Certificates of indebtedness payable			400,000				400,000
Revenue bonds payable		1,745,000					1,745,000
TOTAL GENERAL LONG-TERM DEBT	\$ 450,000	\$ 1,745,000	\$ 400,000	\$ 482,568	\$ 76,251	\$ 192,117	\$ 3,345,936

The accompanying notes are an integral part of the financial statements.

ADDITIONAL INFORMATION

CITY OF LEESVILLE, LOUISIANA
UNAUDITED SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2000

Schedule 1
(Continued)

Insurer	Expiration Date	Coverage	Property Covered	Limits
Louisiana Municipal Risk Management Agency	05/01/03	Automobile Liability	Owned, hired, non-owned automobiles	\$ 500,000 CSL
	05/01/03	Commercial general liability	Premises/operations-BI & PD	500,000 CSL
			Products/completed operations- BI & PD	500,000 CSL
			Medical payments	
			Per person	1,000
			Per accident	10,000
			Fire legal liability per occurrence	50,000
	05/01/03	Law enforcement officers' comprehensive liability	Personal injury and property damage	500,000 CSL
	05/01/03	Public officials' errors and omission liability	Errors and omissions	500,000 CSL
			Deductible \$5,000	
Massachusetts Bay Insurance Company	01/30/01	Fire and extended coverage	Various City-owned buildings and personal property	
			80% coinsurance	
			Deductible \$1,000	
			Buildings in aggregate	2,070,047
			Personal property in aggregate	5,300
Western Surety Company	07/01/01	Public officials	Mayor	90,000
			Director of finance	100,000

See independent auditor's report.

CITY OF LEESVILLE, LOUISIANA
UNAUDITED SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2000

Schedule 1
(Concluded)

Insurer	Expiration Date	Coverage	Property Covered	Limits
EMC Insurance Companies	01/16/01	Fire and extended coverage	Various City-owned buildings and personal property Deductible \$1,000 Buildings in aggregate Personal property in aggregate	\$ 1,116,000 118,500
Old Republic Insurance	01/14/01	Airport liability	BI & PD per occurrence Products/operations in aggregate Malpractice in aggregate Personal/advertising in aggregate Fire damage per occurrence Hangerkeepers per aircraft Hangerkeepers per occurrence	1,000,000 1,000,000 1,000,000 1,000,000 50,000 1,000,000 1,000,000
Allstate	12/22/00	Commercial property Wastewater treatment plant	Buildings-deductible \$1,000 Personal property-deductible \$1,000 Aeration basin roaters-deductible \$1,000	75,000 255,000 1,306,000
Risk Management, Inc.	02/27/01	Commercial property	Scheduled computers-deductible \$500 Scheduled equipment-deductible \$500	34,086 140,989
Louisiana Workmen's Compensation Corporation	05/01/01	Automobile physical damage Worker's compensation	5 scheduled vehicles-deductible \$500	106,342 Statutory
See independent auditor's report.				

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF PRIMARY GOVERNMENT, COMBINING,
INDIVIDUAL FUND, AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF PRIMARY GOVERNMENT, COMBINING
INDIVIDUAL FUND, AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Jim Shapkoff, Jr., Mayor
and Members of the City Council
City of Leesville, Louisiana

We have audited the primary government financial statements and the combining, individual fund, and account group financial statements of the City of Leesville, Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated November 14, 2000. In our report, our opinion was qualified because the financial statements of the General Fixed Assets account group include only assets acquired subsequent to 1971.

Except as discussed in the above paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as Finding 2000-01 through Finding 2000-03.

MARVIN A. JUNEAU, C.P.A.
N. FRED RANDOW, C.P.A.
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.
ROBERT W. DYORAI, C.P.A.

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JUNEAU, C.P.A.

L. PAUL HOOD, C.P.A.



1419 METRO DRIVE • P.O. BOX 13200 • ALEXANDRIA, LA 71315-3200
PH: (318) 443-1893 • FAX: (318) 443-2515 • WWW.PMHCPA.COM



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Jim Shapkoff, Jr., Mayor
and Members of the City Council
City of Leesville, Louisiana

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Leesville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

However, we noted one certain matter involving the internal control over financial reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as Finding 2000-04.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider Finding 2000-04 to be a material weaknesses.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Leesville, Louisiana, in a separate letter, entitled *Other Comments and Recommendations*, dated November 14, 2000.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Jim Shapkoff, Jr., Mayor
and Members of the City Council
City of Leesville, Louisiana

This report is intended for the information of the Mayor, members of the City Council and management of the City of Leesville, Louisiana, federal awarding agencies, pass-through entities, and the Legislative Auditor's office of the State of Louisiana. This report is not intended to be, and should not be used by anyone other than these specified parties.

Payne, Moore & Herrington, LLP
Certified Public Accountants

November 14, 2000

**CITY OF LEESVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000**

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

Qualified

Internal control over financial reporting

Material weakness(es) identified

 X Yes No

Reportable condition(s) not considered to be
material weaknesses?

 Yes X None reported

Noncompliance material to the financial statements
noted?

 X Yes No

Federal Awards

Not Applicable

Memorandum of Other Comments and Recommendations

Attached

Management's Summary Schedule of Prior Audit Findings

Attached

Management's Corrective Action Plan

Attached

**PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE
REQUIRED TO BE REPORTED UNDER GOVERNMENT AUDITING STANDARDS**

FINDING 2000-01

COMPLIANCE WITH THE LOUISIANA LOCAL BUDGET ACT

Criteria: It is our understanding that, except for the exemptions provided in the statutes, budget amendments are required when actual expenditures exceed budgeted expenditures by 5% or more.

Condition: We found that actual expenditures exceeded budgeted expenditures in the General Fund by more than 5%.

Cause: Certain year-end journal entries prepared as a result of our engagement, which were not taken into account by management as part of their year-end budget review, resulted in actual expenditures exceeding budgeted expenditures by more than 5% in the General Fund.

Recommendation: We recommend that the budget amendment process include consideration of all facts and circumstances.

Management's Response: See Management's Corrective Action Plan.

**CITY OF LEESVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000**

FINDING 2000-02

COMPLIANCE WITH ASSET MANAGEMENT LAWS

Criteria: It is our understanding that the Louisiana Revised Statutes require the City to maintain records of all fixed assets which were purchased or otherwise acquired, and for which the City is accountable. The records should include the date of purchase, the initial cost, the disposition, if applicable, the purpose of such disposition, and the recipient of the disposed property. In addition, federal regulations may require that additional information be maintained on property acquired with federal funds.

Condition: Records of general fixed assets acquired prior to 1972 were not maintained. Records of fixed assets acquired subsequent to 1971 do not always contain all of the required information.

Recommendation: We understand that the City has an on-going project to bring the City's fixed asset records into compliance with these requirements. We continue to recommend that the City complete this project as soon as possible.

Management's Response: See Management's Corrective Action Plan.

FINDING 2000-03

COMPLIANCE WITH BOND INDENTURES

Criteria: Various indentures for bonds and certificates of indebtedness require the City to establish and maintain sinking funds and, in some cases, contingency funds; and specify that sinking funds and contingency funds be fully funded prior to using any remaining funds for other purposes.

Conditions:

General Obligation Bonds, Series 1995 of the City of Leesville and

General Obligation Bonds, Series 1995 of Sewer District No. 3 of the City:

Funds were not transferred to the Sewer System Renewal and Replacement Fund in accordance with Section 5.2 of the agreement.

Certificate of Indebtedness, Series 1994:

Monthly transfers to the sinking fund as required by the agreement were not made. However, by year-end, the sinking fund was fully funded.

Water System Refunding Bonds, Series 1998:

Monthly transfers to the sinking fund as required by the covenants were not made. Periodic lump sum transfers were made to the sinking fund and, at June 30, 2000, the sinking fund was fully funded. Monthly transfers to the contingency fund were not made as required by the covenants. At year-end, cumulative transfers to the contingency fund were \$11,822 less than the amount required by the bond indentures. Operating transfers were made to the General Fund prior to funding the above sinking and contingency funds.

**CITY OF LEESVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000**

Recommendation: We recommend that the City comply with the requirements of the indentures or agreements for the various bonds and certificates of indebtedness.

Management's Response: See Management's Corrective Action Plan.

FINDING 2000-04

FILING AND RETENTION OF SUPPORTING DOCUMENTATION

The objectives of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. A filing system which ensures the retention and the subsequent location of the documentation of transactions is an integral part of internal controls.

Conditions: The filing system in the revenue collector's office is extremely disorganized and does not ensure the retention of necessary documents supporting the financial statements. We found that paid file copies of ad valorem tax notices were not retained. Client personnel were unable to locate utility stubs for five of the forty days that we selected for testing. Utility stubs for two of the thirty-five days located were stamped received on a different day (the day before) than the date posted to the system. Client personnel also had difficulty in locating other supporting documentation that we requested due to the disorganized nature of the filing system.

Recommendation: We recommend that a comprehensive records management system be developed to ensure that the necessary supporting documentation is retained and subsequently located by client personnel.

Management's Response: See Management's Corrective Action Plan.

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Not applicable.

MEMORANDUM OF OTHER COMMENTS AND RECOMMENDATIONS



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

OTHER COMMENTS AND RECOMMENDATIONS

The Honorable Jim Shapkoff, Jr., Mayor
And Members of the City Council
City of Leesville, Louisiana

In planning and performing our audit of the primary government financial statements and the combining, individual fund and account group financial statements of the City of Leesville, as of and for the year ended June 30, 2000, we considered the City's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls, operating efficiency, and compliance. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report, dated November 14, 2000, contains our report on reportable conditions in the City's internal controls. This letter does not affect our report, dated November 14, 2000, on the primary government financial statements and the combining, individual fund, and account group financial statements of the City of Leesville, Louisiana.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management personnel, and we will be pleased to discuss them in detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Payne, Moore & Herrington, LLP
Certified Public Accountants

November 14, 2000

MARVIN A. JONEAU, C.P.A.
H. FRED RANDOW, C.P.A.
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.
ROBERT W. DYONAX, C.P.A.

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JONEAU, C.P.A.

L. PAUL HIGDON, C.P.A.



1419 METRO DRIVE • P.O. Box 13200 • ALEXANDRIA, LA 71315-3200
PH: (318) 443-1893 • FAX: (318) 443-2515 • WWW.PMHCPA.COM

MEMORANDUM OF OTHER COMMENTS AND RECOMMENDATIONS

FINDING 2000-05

FORMS I-9

Criteria: Our understanding is that federal law requires a properly completed Form I-9, Employment Eligibility Verification, to be maintained for all employees hired after November 7, 1986.

Condition: Twelve of the personnel files that we examined either did not contain a Form I-9 or the form was not correctly completed.

Recommendation: We recommend that a properly completed Form I-9 be obtained from all new employees. We also recommend that all personnel files be reviewed and that properly completed Forms I-9 be obtained for all employees hired after November 7, 1986.

Management's Response: See Management's Corrective Action Plan.

FINDING 2000-06

PURCHASE ORDERS

Criteria: Our understanding is that it is the City's policy to require purchase orders for the purchase of materials and supplies in excess of \$100.

Condition: Supporting documentation for three of the forty cash disbursements selected randomly for testing did not include the required purchase orders. In all three instances, the lack of purchase orders were for purchases between \$109 and \$148.

Recommendation: We recommend enforcement of the City's established policy.

Management's Response: See Management's Corrective Action Plan.

MANGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**CITY OF LEESVILLE, LOUISIANA AUDIT
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2000**

**SECTION I
FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE
REQUIRED TO BE REPORTED UNDER GOVERNMENT AUDITING STANDARDS**

FINDING		CURRENT YEAR STATUS
99-01	Compliance with the Louisiana Local Government Budget Act	Partially Resolved See Finding 2000-01
99-02	Compliance with Asset Management Laws	Unresolved See Finding 2000-02
99-03	Compliance with Bond Indentures	Partially Resolved See Finding 2000-03
99-04	Water and Sewer Billing and Collection Procedures	Resolved
99-05	Filing of Other Supporting Documentation	Unresolved See Finding 2000-04

**SECTION II
OTHER COMMENTS AND RECOMMENDATIONS**

FINDING		CURRENT YEAR STATUS
99-06	Forms I-9	Unresolved See Finding 2000-05
99-07	Sales Tax Paid on Purchases	Resolved
99-08	Documentation of Public Bids	Resolved
99-09	Change Orders	Resolved
99-10	Fuel Inventory	Resolved

MANAGEMENT'S CORRECTIVE ACTION PLAN

**CITY OF LEESVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR END JUNE 30, 2000**

The management of the City of Leesville, Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2000:

Independent Public Accounting Firm: Payne, Moore & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71302-3200
(318)443-1893

Audit Period: July 1, 1999 through June 30, 2000

Auditee Contact Person: DeLain P. Prewitt
City Clerk/Administrator
(318)239-2444

The findings from the Schedule of Findings and Questioned Costs and from the Memorandum of Other Comments and Recommendations are discussed below. The findings are numbered consistently with the numbers assigned in the reports.

**FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED
TO BE REPORTED UNDER GOVERNMENTAL AUDITING STANDARDS**

FINDING 2000-01

COMPLIANCE WITH THE LOUISIANA LOCAL BUDGET ACT

Response: City personnel have been directed to take all facts and circumstances into consideration during the budget amendment process and closely review it periodically to ensure that budgeted expenditures do not exceed available resources in any fund.

FINDING 2000-02

COMPLIANCE WITH ASSET MANAGEMENT LAWS

Response: The City will continue to work on bringing our general fixed assets into compliance to include those assets purchased prior to 1972.

FINDING 2000-03

COMPLIANCE WITH BOND INDENTURES

Response: The City will attempt to prevent this action from being taken in the future by making the required debt service sinking fund monthly deposits on a timely basis as outlined in the bond indentures.

**CITY OF LEESVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR END JUNE 30, 2000**

**FINDINGS RELATING TO THE
MEMORANDUM OF OTHER COMMENTS AND RECOMMENDATIONS**

FINDING 2000-04

FILING AND RETENTION OF SUPPORTING DOUCMENTATION

Response: The City will develop a more comprehensive filing system to ensure that supporting documentation for all transactions is retained and can be more easily located.

FINDING 2000-05

FORMS I-9

Response: City personnel have been directed to properly complete an I-9 Form for each new employee hired and are currently in the process of reviewing all personnel files to ensure each contain a properly completed I-9 Form for all employees hired after November 7, 1986.

FINDING 2000-06

PURCHASE ORDERS

Response: City personnel have been instructed to carefully review all invoices prior to payment to ensure that purchase orders have been issued and are attached to the invoice prior to payment.